



WISCONSIN

**DEPARTMENT OF WORKFORCE DEVELOPMENT**

Division of Workforce Solutions  
Bureau of Partner Services

**TO: Economic Support Supervisors  
Economic Support Lead Workers  
Training Staff  
Child Care Coordinators  
W-2 Agencies**

**FROM:** Amy Mendel-Clemens  
CARES Call Center  
Policy & Systems Communications Section

**BPS OPERATIONS MEMO**

**No.:** 02-40

**File:** 2421

**Date:** 06/21/2002

**Non W-2** ☐ **W-2** ☒ **CC** ☐

**PRIORITY:** High

**SUBJECT: Child Support Payments Pass-Through to Control Group**

---

**CROSS REFERENCE:** W-2 Manual Chapter 16,  
Food Stamp Manual 12.02.25 & 16.5.0

**EFFECTIVE DATE:** July 1, 2002

**PURPOSE**

This memo contains information on changes in how to treat the Child Support income received by W-2 participants enrolled in the control group of the Child Support Demonstration Project. Please do not discuss this pass through change with the public or W-2 participants because this could affect behavior in the final month of data collection. Keep the information confidential until July 1<sup>st</sup>, 2002 unless it is necessary to process food stamp eligibility.

**BACKGROUND:**

The child support component of W-2 is operating as a waiver demonstration program, which began in October 1997. In granting the waiver, the federal government required a random-assignment evaluation of the program. The data collection for the four-year evaluation is completed as of July 1, 2002. The demonstration uses a control group that receives either 41 percent of the amount paid or \$50 of support paid, whichever is greater, and a treatment group (plus all others participating in W-2) who receive the full amount of child support. In July 1999 the Department of Workforce Development stopped making assignments to the control group and experimental group for new applicants of W-2. As of July 1, 2002 new rules allow Wisconsin to allow full-pass through to all W-2 families receiving W-2 cash payments.

## **POLICY**

### *New pass-through guidelines:*

Starting July 1, 2002 all families receiving or who had received W-2 cash benefits will get 100% of their child support. This means the control group will receive a full pass through. There are 3,363 families in the control group, although there are less than three hundred who receive child support payments plus are receiving cash W-2 payments or have child support arrears while previously receiving W-2 cash benefits. Families in the control group will receive their full child support in July 2002 plus a partial check for any child support payments made in June, 2002.

Custodial parents who were assigned to the control group from October, 1997 to the present and their non-custodial counter parts will receive fliers from the Bureau of Child Support informing them of the full pass-through in early July. Sample fliers are attached. The copies sent to custodial and non-custodial parents will be printed on yellow paper.

Support owed for periods prior to October 1, 1997 while the family received AFDC remains owed to the state and will not be passed through. However, unpaid support owed prior to July 1 but received after July 1, 2002 for a family who had received W-2 cash payments will be passed through in full to the family, rather than limited to the 41% or \$50 pass through.

### *July payment information*

In July, a control group parent who is currently or was previously in a W-2 paid placement may receive multiple payments. The June support collections are sent to the family mid-July. This is the \$50 or 41% collected in June. Any support collected after June 30<sup>th</sup> will be sent directly to the family two days after the payment is received. The two-day turnaround will continue after July 1. The mid-month payment of \$50 or 41% will be discontinued after July.

Example: Nancy, a custodial parent enrolled in the control group received a payment of \$50 on July 18<sup>th</sup> that resulted from payments to the child support agency in June. Nancy has been receiving this payment mid-month since she returned to a W-2 payment tier six months ago. The child support agency received the non-custodial parent's (NCP) income withholdings from his job paid on July 5<sup>th</sup> and July 19<sup>th</sup>. Nancy was sent child support checks for \$47 on July 7<sup>th</sup> and July 21<sup>st</sup>. Beginning in August, Nancy will continue to receive payments two days after the child support agency receives the income withholding from the NCP's employer and the mid-month payment for \$50 will be discontinued.

## **CARES/KIDS**

CARES will continue to display the group assignment on CRAR and ACCH for tracking and historical purposes. KIDS will continue to send to CARES information on support paid to the family.

## **OTHER PROGRAMS**

### *Effects on program eligibility and benefits*

The policies that outline the treatment of child support income or change reporting remain the same. Please follow the established guidelines.

**W-2/Child Care:** Regular child support payments are not included in the financial eligibility determination for W-2 and child care. The full pass through will be seen as a regular child support payment. An increase in the child support payment will not impact eligibility.

**Food Stamps:** Food Stamp recipients are required to report changes of more than \$100 in monthly child support income. Budget the child support income when the change is reported, and act on the change within 10 days.

## **WISLINE AUDIO CONFERENCE**

A WisLine Audio conference will be held on June 26<sup>th</sup> at 10:00 AM. W-2 and Food Stamp Policy Analysts and an Automations Specialist will share a summary of the project and additional details and will be available to answer local agencies' questions.

If you are interested in joining the WisLine discussion please coordinate with others in your office to connect to the audio conference on one line. WisLine directions are below.

1. Call 1-888-677-9189 if you are outside the Madison area or if you are inside the Madison area call 265-1000
2. Enter your prompt number 2322#
3. Wait for the WisLine Communication operator to connect your call
4. If you are involuntarily disconnected you should dial 1-800-442-4614

## **ATTACHMENTS**

- [Your family will receive all the child support you pay on their behalf](#) flier
- [You will receive all child support paid on your behalf](#) flier

## **CONTACT**

DWS CARES Information & Problem Resolution Center

Email: [carpolcc@dwd.state.wi.us](mailto:carpolcc@dwd.state.wi.us)  
Telephone: (608) 261-6317 (Option #1)  
Fax: (608) 266-8358

**Note:** Email contacts are preferred. Thank you.



# You will receive all child support paid on your behalf.

Our records show that you are in the W-2 Control Group. Under a new Wisconsin Works (W-2) rule, **all** families in W-2 will receive **all** child support paid to them. The new rule begins July 1, 2002. Before the change, you received only part of your child support if you received money from a W-2 agency for:

- Taking care of a newborn
- Participating in a W-2 Transition position
- Participating in a Community Service Job (CSJ)

## New Rule Example:

You have one child and receive a W-2 payment of \$673 each month. Your child support order is for \$150 a month. The other parent pays the \$150 each month. All of the \$150 is sent to you. With the child support, your monthly income increases to \$823.

## New rule begins on July 1, 2002:

- Child support received by the Trust Fund **before July 1** - no change, the old rule applies on how much child support you receive. The checks will be mailed in mid-July for support paid before June 30 for those caring for a newborn, in a W-2 Transition position or in a Community Service Job (CSJ).
- Child support received by the Trust Fund **after June 30** - the new rule applies and you will get all the child support paid. The Trust Fund will mail checks for support paid after June 30 usually two work days after the Trust Fund receives the support payment. **(These checks and envelopes will look different than any check you used to receive mid-month. The envelope will be white.)**

**If you had ever been on AFDC** (Aid to families with Dependent Children) - The W-2 rule change does not change child support amounts owed to the state for AFDC.

**If you receive food stamps, Medicaid or BadgerCare** - A change in child support you receive may affect your benefits. Please contact your local social/human services or W-2 agency to report any change in the amount of child support you receive.

If you have questions, you may ask your worker at the W-2, child support or social/human services agency. These agencies are listed in your phone book under "County Government" or tribal name. Child support information is also on the Internet at: [www.dwd.state.wi.us/bcs](http://www.dwd.state.wi.us/bcs). Most public libraries have Internet access.

**This rule is reviewed every few years.** You will be notified of any changes that would affect your child support.

DWD is an equal opportunity employer and service provider. If you have a disability and need to access this information in an alternate format, or need it translated to another language, please contact (608) 264-9820 or (866) 275-1165 TTY (Toll Free). For civil rights questions call (608) 264-9820 or (866) 275-1165 TTY (Toll Free).



# Your family will receive all the child support you pay on their behalf.

Under a new Wisconsin Works (W-2) rule, **all** families in W-2 will receive **all** child support paid to them. The new rule begins July 1, 2002. Most families in W-2 had been receiving all the child support.

The old federal rule required Wisconsin to do a study on “passing-through” child support to families on aid. The study needed a small W-2 Control Group who would not receive all of their child support. Our records show that your child’s other parent is part of the W-2 Control Group.

Before the change, the family (in the W-2 Control Group) received only part of their child support if they received money from a W-2 agency for:

- Taking care of a newborn
- Participating in a W-2 Transition position
- Participating in a Community Service Job (CSJ)

That part of the study has ended. If your child is in a W-2 family, **every cent you pay will be sent to the family.**

#### New rule example:

Your child’s other parent receives a W-2 payment of \$673 each month. Your child support order is for \$150 a month. You pay \$150 child support every month. Now, all of the \$150 child support paid each month will be sent to the other parent. With the child support received, the family’s monthly income increases to \$823.

**If your child had ever been on AFDC** (Aid to Families with Dependent Children) - the W-2 rule change does not change the child support amount owed to the state for AFDC.

Child support agencies may also answer your questions about child support. Child support information is also on the Internet at: <[www.dwd.state.wi.us/bcs](http://www.dwd.state.wi.us/bcs)>. Most public libraries have Internet access.

**This rule is reviewed every few years.** You will be notified of any changes that would affect the child support you pay. (Tell your child support agency if you move.)

DWD is an equal opportunity employer and service provider. If you have a disability and need to access this information in an alternate format, or need it translated to another language, please contact (608) 264-9820 or (866) 275-1165 TTY (Toll Free). For civil rights questions call (608) 264-9820 or (866) 275-1165 TTY (Toll Free).